



U.S. Department  
of Transportation

**Federal Highway  
Administration**

# Bulletin

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Subject

**HIGHWAY FUNDING 1996 - 1999**

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Date March 9, 1999

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Total disbursements for highways are expected to exceed \$110.2 billion in 1999, an increase of 12.4 percent over 1996, which is the latest year that final numbers are available. Total revenues used for highways or placed in reserves for highways are expected to reach \$115.8 billion in 1999. The difference (\$5.6 billion) will be placed in reserve - \$2.4 billion for the Federal Government and \$3.2 billion for State governments.

In 1999, total highway-user revenues of \$101.3 billion (motor fuel, motor vehicle taxes and fees, and tolls) are anticipated. This would fund about 92 percent of all highway disbursements. However, \$20.0 billion of highway-user revenues are destined for general government use, collection expenses, other non-highway uses, and the Territories, while \$9.0 billion will be used for mass transportation. Consequently, only \$72.3 billion or 71 percent of taxes and fees charged to road users will be applied to the highway programs of Federal, State, and local governments. Since some highway-user revenues will be expended for non-highway purposes, governments at all levels must apply a variety of non-user revenues for highway purposes. Non-user revenue sources include general funds, other specific taxes and fees dedicated to highway purposes, investment income, and bond proceeds.

Total receipts to the Highway Account of the Federal Highway Trust Fund (HTF) should total \$33.1 billion in FY 1999, or almost \$10 billion more than 1998. Much of the increase is due to a provision in the Taxpayer Relief Act of 1997 (TRA), which permitted a delay in payment of certain Highway Trust Fund taxes, which otherwise would have been due in August or September 1998, until October 1998 (Fiscal Year 1999). This "delayed deposit" provision has the effect of understating 1998 and overstating 1999 HTF receipts. Two provisions of the Transportation Equity Act for the 21st Century, as amended, (TEA-21) (Public Law 105-178) also affected the HTF. First, at the beginning of FY 1999, as a result of a one-time cash adjustment, the balance in the Highway Account of the HTF was reduced to \$8.0 billion by crediting everything over this amount to the General Fund of the Treasury. Second, beginning with FY 1999, interest on HTF balances will be deposited to the Federal General Fund of the Treasury. Before TEA-21, interest earned was credited to the HTF.

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Distribution:

*Special: Headquarters  
Resource Centers  
Divisions*

OPI:

**HPPI**

TEA-21 provides for a significant increase in Federal funds for highway and mass transit programs. While capital outlays are expected to increase about

\$2.7 billion in 1999 (about 5.3 percent over 1998), more significant increases in capital and total outlays may be expected in TEA-21's later years as the Federal funds authorized are paid out in State project expenditures.

Capital expenditures are expected to rise to \$53.5 billion in 1999, accounting for over 48 percent of total highway expenditures. This is an increase of \$6.6 billion, or more than 14 percent compared to 1996. State governments will be responsible for approximately 74 percent of the total, with capital expenditures of \$39.4 billion.

Based upon the latest available data, 31 percent of the State government capital expenditures will be for projects on the Interstate system, and 38 percent will be used on other principal arterials. An additional 21 percent will be for projects on other arterials and collectors, while 10 percent will be used for local roads. Of the amount expended by States on all arterials and collectors, 17 percent is expected to be used for new roads and bridges, 32 percent for other capacity improvements, 43 percent for system preservation, and 8 percent for operational and safety-related improvements.

Total funding for highways including receipts, intergovernmental payments, and disbursements for the years 1996 through 1999 is shown in the attached Table HF-10B.

Projected highway expenditures for 1999 are summarized as follows:

	<u>Millions</u>	<u>Percent</u>
Highway Capital Outlay	\$ 53,458	48.5
Highway Maintenance/Operation	27,779	25.2
Administration and Research	8,407	7.6
Law Enforcement and Safety	10,547	9.6
Interest	4,482	4.1
Bond Retirements	<u>5,545</u>	<u>5.0</u>
Total	\$110,218	100.0

Barna Juhasz  
 Director, Office of Highway  
 Policy Information

Attachments

# FUNDING FOR HIGHWAYS, ALL UNITS OF GOVERNMENT, 1996-1999 1/

TABLE HF-10B  
PAGE 1 OF 2  
MARCH 1999

(MILLIONS OF DOLLARS)

ITEM	1996 (FINAL)						1997 (PRELIMINARY)					
	FEDERAL GOVERNMENT			STATE AGENCIES AND D.C.	LOCAL GOVERNMENTS	TOTAL	FEDERAL GOVERNMENT			STATE AGENCIES AND D.C.	LOCAL GOVERNMENTS	TOTAL
	HIGHWAY TRUST FUND ACCOUNT	OTHER FUNDS AND ACCOUNTS 2/	TOTAL FEDERAL				HIGHWAY TRUST FUND ACCOUNT	OTHER FUNDS AND ACCOUNTS 2/	TOTAL FEDERAL			
<b>DISPOSITION OF HIGHWAY-USER REVENUE BY COLLECTING AGENCIES</b>												
Net Collections: 3/	22,032	8,185	30,217	53,560	2,737	86,514	20,509	11,369	31,878	55,202	2,830	89,910
Less: Amount for Nonhighway Purposes 4/	-	(5,568)	(5,568)	(6,811)	(111)	(12,490)	-	(8,012)	(8,012)	(7,530)	(117)	(15,659)
Less: Amount for Mass Transportation	(519)	(2,609)	(3,128)	(3,278)	(476)	(6,882)	(680)	(3,350)	(4,030)	(2,056)	(486)	(6,572)
Less: Amount for Collection Expenses 5/	-	-	-	(2,947)	-	(2,947)	-	-	-	(2,869)	-	(2,869)
Less: Amount for Territories 6/	(135)	(8)	(143)	-	-	(143)	(132)	(7)	(139)	-	-	(139)
Net Used for Highway Purposes	21,378	-	21,378	40,524	2,150	64,052	19,697	-	19,697	42,747	2,227	64,671
<b>REVENUES USED FOR HIGHWAYS - BY COLLECTING AGENCIES</b>												
Highway User Revenues	21,378	-	21,378	36,897	1,381	59,656	19,697	-	19,697	38,855	1,418	59,970
Motor-Fuel and Vehicle Taxes	-	-	-	3,627	769	4,396	-	-	-	3,892	809	4,701
Tolls	21,378	-	21,378	40,524	2,150	64,052	19,697	-	19,697	42,747	2,227	64,671
Other Taxes and Fees	-	-	-	-	5,135	5,135	-	-	-	-	5,337	5,337
Property Taxes and Assessments	-	948	948	2,681	11,104	14,733	-	851	851	3,045	11,743	15,639
General Fund Appropriations	-	212	212	2,165	1,585	3,962	-	208	208	2,475	1,753	4,436
Other Taxes and Fees	-	1,160	1,160	4,846	17,824	23,830	-	1,059	1,059	5,520	18,833	25,412
Subtotal	658	-	658	2,568	3,864	7,090	805	-	805	2,433	3,961	7,199
Investment Income and Other Receipts	22,036	1,160	23,196	47,938	23,838	94,972	20,502	1,059	21,561	50,700	25,021	97,282
Total Current Income	-	-	-	4,870	2,929	7,799	-	-	-	5,941	3,230	9,171
Bond Issue Proceeds 7/	22,036	1,160	23,196	52,808	26,767	102,771	20,502	1,059	21,561	56,641	28,251	106,453
Grand Total Receipts	(17,957)	-	(17,957)	17,615	342	-	(18,943)	-	(18,943)	18,559	384	-
Intergovernmental Payments:	-	(946)	(946)	564	382	-	-	(839)	(839)	465	374	-
Federal Highway Trust Fund	-	-	-	(9,247)	9,247	-	-	-	-	(9,739)	9,739	-
Other Federal Funds	-	-	-	(1,936)	1,936	-	-	-	-	(1,852)	1,852	-
State Highway-User Imposts	-	-	-	1,260	(1,260)	-	-	-	-	1,361	(1,361)	-
Other State Funds	-	-	-	-	-	-	-	-	-	-	-	-
Local Government Funds	(17,957)	(946)	(18,903)	8,256	10,647	-	(18,943)	(839)	(19,782)	8,794	10,988	-
Subtotal	(2,695)	-	(2,695)	(1,355)	(639)	(4,689)	(457)	(1)	(458)	(3,901)	(838)	(5,197)
Funds Drawn from or Placed in Reserves 8/	1,384	214	1,598	59,709	36,775	98,082	1,102	219	1,321	61,534	38,401	101,256
Total Funds Available												
<b>DISBURSEMENTS FOR HIGHWAYS - BY EXPENDING AGENCIES</b>												
Capital Outlay	-	-	-	32,229	-	32,229	-	-	-	33,475	-	33,475
On State-Administered Highways	-	-	-	2,045	12,168	14,213	-	-	-	2,246	12,740	14,986
On Locally Administered Roads	263	105	368	-	-	368	167	94	261	-	-	261
Not Classified by System	263	105	368	34,274	12,168	46,810	167	94	261	35,721	12,740	48,722
Subtotal	-	-	-	11,000	-	11,000	-	-	-	11,208	-	11,208
Maintenance and Traffic Services	-	-	-	56	14,437	14,493	-	-	-	126	14,913	15,039
On State-Administered Highways	5	66	71	-	-	71	10	70	80	-	-	80
On Locally Administered Roads	5	66	71	11,056	14,437	25,564	10	70	80	11,334	14,913	26,327
Not Classified by System	1,116	43	1,159	4,794	2,492	8,445	925	55	980	4,572	2,529	8,081
Administration and Research	-	-	-	4,816	4,081	8,897	-	-	-	4,930	4,386	9,316
Highway Law Enforcement and Safety	-	-	-	2,274	1,502	3,776	-	-	-	2,488	1,567	4,055
Interest on Debt	1,384	214	1,598	57,214	34,680	93,492	1,102	219	1,321	59,045	36,135	96,501
Total Current Disbursements	-	-	-	2,495	2,095	4,590	-	-	-	2,489	2,266	4,755
Bond Retirements 7/	1,384	214	1,598	59,709	36,775	98,082	1,102	219	1,321	61,534	38,401	101,256
Grand Total Disbursements												

# FUNDING FOR HIGHWAYS, ALL UNITS OF GOVERNMENT, 1996-1999 1/

TABLE HF-10B  
PAGE 2 OF 2  
MARCH 1999

(MILLIONS OF DOLLARS)

ITEM	1998 (ESTIMATED)						1999 (FORECAST)					
	FEDERAL GOVERNMENT			STATE AGENCIES AND D.C.	LOCAL GOVERNMENTS	TOTAL	FEDERAL GOVERNMENT			STATE AGENCIES AND D.C.	LOCAL GOVERNMENTS	TOTAL
	HIGHWAY TRUST FUND ACCOUNT	OTHER FUNDS AND ACCOUNTS 2/	TOTAL FEDERAL				HIGHWAY TRUST FUND ACCOUNT	OTHER FUNDS AND ACCOUNTS 2/	TOTAL FEDERAL			
<b>DISPOSITION OF HIGHWAY-USER REVENUE BY COLLECTING AGENCIES</b>												
Net Collections: 3/	23,141	3,930	27,071	57,556	2,946	87,573	33,098	6,244	39,342	58,941	3,018	101,301
Less: Amount for Nonhighway Purposes 4	-	(443)	(443)	(7,827)	(107)	(8,377)	(8,017) *	(878)	(8,895)	(8,007)	(99)	(17,001)
Less: Amount for Mass Transportation	(778)	(3,487)	(4,265)	(2,268)	(501)	(7,034)	(865)	(5,366)	(6,231)	(2,212)	(513)	(8,956)
Less: Amount for Collection Expenses 5	-	-	-	(2,931)	-	(2,931)	-	-	-	(2,890)	-	(2,890)
Less: Amount for Territories 6/	(138)	-	(138)	-	-	(138)	(150)	-	(150)	-	-	(150)
Net Used for Highway Purposes	22,225	-	22,225	44,530	2,338	69,093	24,066	-	24,066	45,832	2,406	72,304
<b>REVENUES USED FOR HIGHWAYS - BY COLLECTING AGENCIES</b>												
Highway User Revenues	22,225	-	22,225	40,504	1,475	64,204	24,066 *	-	24,066	41,663	1,517	67,246
Motor-Fuel and Vehicle Taxes and Tolls	-	-	-	4,026	863	4,889	-	-	-	4,169	889	5,058
Subtotal	22,225	-	22,225	44,530	2,338	69,093	24,066	-	24,066	45,832	2,406	72,304
Other Taxes and Fees	-	-	-	-	5,412	5,412	-	-	-	-	5,488	5,488
Property Taxes and Assessments	-	-	-	-	11,213	15,511	-	928	928	3,700	11,895	16,523
General Fund Appropriations and Other Taxes and Fees	-	898	898	3,400	1,847	4,654	-	206	206	2,800	1,921	4,927
Fees	-	1,105	1,105	6,000	18,472	25,577	-	1,134	1,134	6,500	19,304	26,938
Subtotal	-	-	-	-	4,038	7,703	-	-	-	2,500	4,105	6,605
Investment Income and Other Receipts	1,165	-	1,165	2,500	4,038	7,703	-	-	-	2,500	4,105	6,605
Total Current Income	23,390	1,105	24,495	53,030	24,848	102,373	24,066	1,134	25,200	54,832	25,815	105,847
Bond Issue Proceeds 7/	-	-	-	6,293	3,299	9,592	-	-	-	6,600	3,344	9,944
Grand Total Receipts	23,390	1,105	24,495	59,323	28,147	111,965	24,066	1,134	25,200	61,432	29,159	115,791
Intergovernmental Payments:	(18,229)	-	(18,229)	17,817	412	-	(20,387)	-	(20,387)	19,922	465	-
Federal Highway Trust Fund	-	-	-	473	380	-	-	-	-	484	390	-
Other Federal Funds	-	(853)	(853)	(10,148)	10,148	-	-	(874)	(874)	(10,418)	10,418	-
State Highway-User Imposts	-	-	-	(1,912)	1,912	-	-	-	-	(1,980)	1,980	-
Other State Funds	-	-	-	1,385	(1,385)	-	-	-	-	1,395	(1,395)	-
Local Government Funds	-	-	-	11,467	-	-	-	-	-	9,403	11,858	-
Subtotal	(18,229)	(853)	(19,082)	7,615	11,467	-	(20,387)	(874)	(21,261)	9,403	11,858	-
Funds Drawn from or Placed in Reserves 8/	(3,953)	-	(3,953)	(2,774)	-	(6,727)	(2,395)	-	(2,395)	(3,178)	-	(5,573)
Total Funds Available	1,208	252	1,460	64,164	39,614	105,238	1,284	260	1,544	67,657	41,017	110,218
<b>DISBURSEMENTS FOR HIGHWAYS - BY EXPENDING AGENCIES</b>												
Capital Outlay	-	-	-	34,834	-	34,834	-	-	-	36,881	-	36,881
On State-Administered Highways	-	-	-	2,376	-	2,376	-	-	-	2,479	13,714	16,193
On Locally Administered Roads	245	107	352	-	-	352	282	102	384	-	-	384
Not Classified by System	245	107	352	37,210	13,198	50,760	282	102	384	39,360	13,714	53,458
Subtotal	245	107	352	11,613	-	11,613	-	-	-	12,094	-	12,094
Maintenance and Traffic Services	-	-	-	94	15,152	15,246	-	-	-	98	15,509	15,607
On State-Administered Highways	-	-	-	78	-	78	10	68	78	-	-	78
On Locally Administered Roads	10	68	78	-	-	-	-	-	-	-	-	-
Not Classified by System	10	68	78	11,707	15,152	26,937	10	68	78	12,192	15,509	27,779
Subtotal	10	68	78	11,707	15,152	26,937	10	68	78	12,192	15,509	27,779
Administration and Research	953	77	1,030	4,500	2,575	8,105	992	90	1,082	4,700	2,625	8,407
Highway Law Enforcement and Safety	-	-	-	5,320	4,633	9,953	-	-	-	5,666	4,881	10,547
Interest on Debt	-	-	-	2,642	1,613	4,255	-	-	-	2,821	1,661	4,482
Total Current Disbursement	1,208	252	1,460	61,379	37,171	100,010	1,284	260	1,544	64,739	38,390	104,673
Bond Retirements 7/	-	-	-	2,785	2,443	5,228	-	-	-	2,918	2,627	5,545
Grand Total Disbursements	1,208	252	1,460	64,164	39,614	105,238	1,284	260	1,544	67,657	41,017	110,218
<p>1/ This table contains a mixture of calendar and fiscal year data.</p> <p>2/ Includes the Mass Transit Account of the Highway Trust Fund. Also includes FHWA activities fund by general funds and all other agencies and funds that make appropriations for highways or to receive highway-user revenues.</p> <p>3/ Represents gross receipts less refunds and loss allowance.</p> <p>4/ Amount in Federal Government column represents net collections less transfers to the Highway and Mass Transit Accounts of the Highway Trust Fund. Due to timing differences between collections and transfers to the Highway Trust Fund, the amount will not correspond exactly to distributions for deficit reduction and for the Leaking Underground Storage Tank (LUST) Fund.</p> <p>5/ Includes only those collection and administrative costs paid from motor-fuel an</p> <p>motor-vehicle tax receipts. Operational costs of toll facilities are reported as traffic services. Federal collection expenses are excluded since they are paid for by the General Fund. Local expenses are excluded, because local motor-fuel and motor-vehicle revenue data are reported net of collection expenses.</p> <p>6/ Amounts shown represent Federal payments to territories, and Federal expenditures territories for highways and mass transit.</p> <p>7/ Proceeds and redemptions of short-term notes and refunding issues are excluded.</p> <p>8/ Negative numbers indicate that funds were placed in reserve.</p> <p>* Effective 10/1/98, the Highway Trust Fund ceased earning interest on its invested balance and the Highway Account balance (excluding disbursement accounts) was reduced to \$8.0 billion pursuant to TEA-21 Sec. 9004(a).</p>												